

DD-103

December-2022

B.B.A., Sem.-III

CC-204 : Managerial Economics - 1

Time : 2:30 Hours]

[Max. Marks : 70

1. (A) Define Managerial Economics. Explain its characteristics. 7
 (B) Explain the differentiate : 7
 (1) Consumer's Goods Demand and Producer's Goods Demand.
 (2) Demand for Durable Goods and Non-Durable Goods.
- OR**
- (A) Define Demand Forecasting. Discuss the indirect methods of demand forecasting. 7
 (B) Explain the scope of Managerial Economics. 7
2. (A) Explain the consumer surplus with ordinal approach. 7
 (B) Discuss Slutsky substitution effect with the help of diagram. 7
- OR**
- (A) Explain the consumer's Equilibrium with the help of indifference curve. 7
 (B) Discuss the characteristics of indifference curve with the help of diagram. 7
3. (A) Define Price Elasticity of Demand. Explain the types of price elasticity of demand. 7
 (B) Do as directed : 7
 Demand for a commodity is 500 units when a consumer's income is ₹ 20,000. Demand increases to 750 units when income increases to ₹ 25,000. Find out,
 (i) Income elasticity of demand
 (ii) Which type of product is produced ?
- OR**
- (A) Discuss the types of cross elasticity of demand. 7
 (B) Explain the factors affecting price elasticity of demand. 7
4. (A) Discuss the law of variable proportion with diagram. 7
 (B) Explain the concept of Fixed Cost and Variable Cost. 7

OR

- (A) Explain the relationship between Average Cost and Marginal Cost with the help of diagram. 7
- (B) Discuss the concept of Returns to scale. 7

5. Do as directed : (Attempt Any 7) 14

- (1) Which is the direct method of demand forecasting ?
- (A) Consumer's Survey (B) Expert's Opinion
(C) Controlled Market Experiments (D) All of the above
- (2) Decision making means choosing the best alternative. (True/False)
- (3) Which is the example of perishable goods of demand ?
- (A) Furniture (B) Vegetables
(C) TV (D) Vehicle
- (4) When demand for a product is dependent, it is called _____.
- (A) Derived demand (B) Autonomous demand
(C) Industry demand (D) Market demand
- (5) Income effect is negative for normal goods. (True/False)
- (6) The opportunity cost of any commodity is the next best alternative commodity that is sacrificed or foregone. (True/False)
- (7) Indifference Curve is concave to the origin. (True/False)
- (8) Returns to scale emerge in the _____.
- (A) Short run (B) Long run
(C) Medium term (D) None of the above
- (9) Which is not type of production iso-quants?
- (A) Linear Programming (B) Input-Output
(C) Concave (D) Linear
- (10) If $E_p = 0$, demand curve would be _____.
- (A) Parallel to x-axis (B) Parallel to y-axis
(C) Upward sloping (D) Downward sloping
- (11) _____ is addition to the total cost caused by producing one more unit of output.
- (A) Marginal Cost (B) Fixed Cost
(C) Variable Cost (D) Average Cost
- (12) Define Formula of AFC.
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